

Budget Letter 10-06/Statewide Information Management Manual 55
Information Technology Cost Reports
Frequently Asked Questions

Budget Letter 10-06, issued on March 30, 2010, directed departments to report past year actual and current year actual and planned information technology purchases to help identify additional savings opportunities.

The FAQs and answers listed below are to assist in the completion of the IT cost reports for Phase 1 and Phase 2. The information provided in the FAQs and requested in the revised workbook (Phase 2) is based on feedback and discussion with Agencies and Departments.

PHASE 1 Requirements

Only the ***bolded and italic*** line items need to be completed on the worksheets. PY information is not required for Phase 1, but is required for Phase 2.

Please do not fill in the following line items for Phase 1:

All Worksheets – Any cell that contains a formula (including Network worksheet Line 1 Agency Personnel, which was improperly formatted as bold and italic).

Computing Costs worksheet – Line 8b Help Desk Personnel
(This is required in Phase 2)

PHASE 2 Requirements

A revised workbook is available to allow completion of Phase 2. Line items not highlighted in ***bold and italic*** are required for Phase 2. Changes to the workbook include adding categories for PMO, Administration staff, Application Developers, IT Managers, and IT Procurement staff, and temporary help (e.g. Student Assistants and Retired Annuitants). This will allow for proper classification of IT positions without the need to allocate among the categories

When preparing Phase 2 reports, departments should:

- Use the updated Cost Report Template in SIMM 55B to enter Phase 2 data elements.
- Add Phase 1 data elements to the Cost Report Template containing the Phase 2 data.

In addition, the workbook is locked to allow only data entry in the appropriate fields and eliminate the risk of overwriting a formula.

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1. General

1.1 Q: We need more time to complete the worksheets and get through Department and Agency approvals. Can we have an extension?

A: The data requested is of critical nature and needs to be completed within the due dates listed in the BL.

1.2 Q: Can I add cells to provide more information or delete cells that are not applicable?

A: Please do not add or delete cells to the Computing Costs or Network & Telecommunications Costs tabs on the IT Cost workbook. This will affect our ability to combine and analyze the data from all departments. If there is a need to provide additional information for clarity, please include a footnote at the bottom of the worksheet.

1.3 Q: There are formulas in certain cells. Can I override these formulas?

A: Do not write over any formulas in the workbook. These are summations of the data presented in the workbook.

1.4 Q: IT Personnel – the instructions state that the IT personnel includes all state personnel employed in IT or telecommunications classifications. Do we also include IT Branch staff in generalist classifications?

A: IT personnel is defined in [SAM 4912.2](#) as follows: All state personnel employed in IT or telecommunications classifications and all personnel of other classifications in state agencies who perform information technology activities for at least 50 percent of their time.

1.5 Q: The categories for personnel do not include all the functions performed in an IT department. Is the line for Agency IT Personnel supposed to be a total of all the PYs? If it is, where do I count the staff who perform administrative related functions such as financial, asset management, governance, architecture, project management, procurements, developers, etc.?

A: PY information is not required for Phase 1. A new workbook is available for Phase 2 that will add categories for PMO staff, Administration staff, Application Developers, IT Managers, IT Procurement staff, and temporary help (e.g. Student Assistants and Retired Annuitants). Report the total authorized PYs and their associated funding

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1.6 Q: Our consultants and contracts are a single expense code. Can we report them as one total?

A: Consultants and contracts need to be separated into the appropriate categories for which services were performed or are planned.

1.7 Q: Besides any year-to-date costs, we are assuming you would like us to include any obligated costs (contract services used but not spent yet and purchases obligated to vendor but not paid yet). Is this correct?

A: If you have received goods or services and have not paid for them, include this amount in the Actual column. However, if you have not received the goods or services and have encumbered the cost, include this as part of your Projected expenditures.

2. Computing Costs

2.1 Q: How do you complete the actual vs. planned expenditures for CY for categories like PYs, computer room sq footage, etc. assuming they wouldn't be changing (e.g. not adding new PYs or floor space between now and the end of the FY)?

A: When completing Phase 2 reporting, the Actual PYs for 2009-10 should be the department's authorized PYs split into the appropriate categories (as noted in 1.5 above there is a revised workbook for Phase 2 which provides additional categories for reporting IT PYs). If the department intends to administratively establish new IT PYs between the Phase 2 reporting period and the end of the fiscal year those would be identified in the Projected PY item of the appropriate categories. PY costs should be addressed in a similar manner. Include total annual budgeted costs for authorized PYs in the Actual column.

A similar approach should be applied to Agency Data Center Facilities – Floor Space Item 9c(1). Unless the department plans to change the amount of floor space between the Phase 1 reporting period and the end of the fiscal year the Actual items should include the total square footage for 2009-10. Only planned incremental changes between the Phase 1 reporting period and the end of the fiscal year should be identified in the Projected square footage category.

2.2 Q: Where do we include Costs and PYs for Novell?

A: Costs for Novell software, hardware and consultant support should be included in Item 11 (Wintel Servers) and include a footnote at the bottom of the worksheet to

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explain that these resources are for Novell on Intel. PY information is not required for Phase 1. For Phase 2 reporting, include the Novell-related PYs in Item 11 and include a footnote at the bottom of the worksheet to explain that these resources are for Novell on Intel.

2.3 Q: Data Center Interagency agreement is listed separately on number 9 in the Computing Costs worksheet and number 13 on the Network Costs worksheet. Am I supposed to put all OTech interagency costs here in one lump sum for each worksheet?

A: The interagency agreement costs for Computing and Network are independent of each other. Do not duplicate these costs on each worksheet. Each line should be the total of IAAs not listed on any other line item.

2.4 Q: We do not have a mainframe, but do have staff that support the applications on the mainframe at OTech. Do I include those staff here or is this category only for the people that actually support an in-house mainframe?

A: PY information is not required for your Phase 1 response. In Phase 2, please use the category for Application Developers.

2.5 Q: What is the definition of a computer room that needs to be reported?

A: Use the definition in [ITPL 09-04](#). Computer room: any space that houses computer operations. Such computer operations could utilize mainframes, servers, or any computer resource functioning as a server.

2.6 Q: Number of physical servers – What should be included in this section? Do Departments report the number of physical servers purchased in the FY or total inventory of physical servers (to include costs for purchase of new and support of existing)?

A: Report the total server inventory. Hardware costs should include direct expenditures for server refresh and replacement, additional server purchases, and associated hardware maintenance.

2.7 Q: Computing Worksheet and Instructions, the first item is Agency IT personnel. Instructions say that Agency Personnel is defined as all agency personnel costs. However, later the worksheet form asks for personnel in Wintel servers, storage and client & peripherals areas. This would be duplicate counting. How do you record the personnel?

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A: Page 3 of the instructions contains a note that clarifies the expectations. *Note: Items 1 and 2 below are roll up categories.* Lines 1 and 2 automatically calculate and do not need any manual entry.

2.8 Q: Where on the cost worksheets would fax machines and printers be entered?

A: Include these costs in line 14e – Client Peripherals.

2.9 Q: What would be included in the various “other” categories on the cost worksheets? Please provide some examples.

A: Anything that does not fit into one of the listed categories. Include a footnote explanation at the bottom of the worksheet to provide detailed information.

2.10 Q: Where do we include costs for Networked Printers on the LAN?

A: Include the cost under 14e(1) Client Peripherals – Printers.

2.11 Q: Where do maintenance agreements go? Items such as printer maintenance, software maintenance, etc.?

A: Include these amounts with the related hardware or software.

2.12 Q: Line items 9d and 9f request costs for Electricity and Heat Management. Some departments have leases that do not itemize these costs. Please advise.

A: If you do not have the amount, leave blank and include a footnote at the bottom of the worksheet with an explanation that the level of detail requested is not available.

2.13 Q: Where do you recommend classifying these machines being run with i5 operating system?

A: Choose the appropriate category under line 12 (Unix/Linux). Include a footnote at the bottom of the worksheet with an explanation.

2.14 Q: In regards to CaMail services at OTech. This is not the client (MS Outlook) – which we will have to derive from our Microsoft Enterprise Licensing Agreement, there are no categories that offer an IAA for services of this sort. Do we use the Supplemental Personnel IAA?

A: Line 15a – State Data Center / Interagency Agreement.

2.15 Q: What is an operating instance?

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A: If you are running virtualization on your servers (e.g. VMware or HyperV) provide the number of virtual servers you have running. If the servers are not virtualized, the count would equal the number of physical servers you have.

2.16 Q: Attempting to complete the Computing Cost Worksheet and not sure how to handle the Funding Split data... some of our expenditures are 100% General Funded and some are 30% GF and 70% Federal Funds.... Example: all our State IT personnel are 100% GF and Networking & Telecommunications is split 30/70. If I input 30/70 it will inaccurately represent the personnel costs and if I input 100% GF then it will skew the network & telecommunications costs.

A: Please insert a new page in the workbook and list the high-level splits (as you noted below). In a cell near where the splits are requested, add a reference to the additional page.

2.17 Q: What is the difference between Electricity, Power Supply and Heat Management?

A: Electricity – Normal electricity costs/bills.

Power Supply – A system that converts AC current from the wall outlet into the DC currents required by electronic circuits. (e.g. UPS).

Heat Management – The use of various temperature monitoring devices and cooling methods to control overall temperature of a data center. (e.g. separate AC).

2.18 Q: Where do I report our WebEx contract? Is there a SAAS category? Do I use Network and Telecom Software category?

A: Report on line 14f(2) – Client Software-Email & Messaging

2.19 Q: If we have two multi-function devices, but they are not used as printers, only as photocopiers, are they to be counted on the worksheet?

A: Include these costs in Computing Costs worksheet under 14e(6) – Client Peripherals - Other and provide a footnote explanation.

3. Network & Telecommunication Costs

3.1 Q: WAV and Voice Premise Technology – Is the entire phone charges (monthly service bill from AT&T, etc.) to be included here? If so, in what category does that go in the worksheet?

A: Include the monthly phone service bill in line 13b Other Network Costs – Purchase Order or Contract and include a footnote at the bottom of the worksheet listing the service and the amount.

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3.2 Q: Cellular Communications - Is the entire cellular phone charges (Verizon and Sprint) to be included here? If so, in what category does that go in the worksheet?

A: Include the monthly cellular phone service bill in line 13b Other Network Costs – Purchase Order or Contract and include a footnote at the bottom of the worksheet listing the service and the amount.

3.3 Q: Wide Area Voice (WAV) – What is the definition of a call center?

A: Examples of a call center are those operated by FTB, EDD, and DMV.

3.4 Q: We pay vendors for the use of such things as the office phone system. Within the Networking & Telecommunications Cost Sheet where should these costs be reported?

A: In the Networking & Telecommunications Cost Worksheet, under Category 10 - Voice Premise Technology, report these costs in sub-category Hardware (10c).

3.5 Q: What area are you expecting to see the Blackberry Yearly maintenance/support (24x7 phone support) contracts listed under?

A: Line 11d. – Cellular Communications Software.

3.6 Q: For item 10, Voice Premise Technology, the instructions indicate that long distance charges should not be included. Some department billings do not itemize long distance. Please advise.

A: Enter your amount and provide a footnote that the amount entered contains long-distance charges. Do not duplicate this amount elsewhere on the worksheet.

4. IT OE&E Reductions

4.1 Q: What gets listed on the IT OE&E Reduction Worksheet? Is this worksheet for the FY year-end 08-09 savings or the FY 2009-10 itemized items of the 15% OE&E reduction? Should we include the 15% cost savings that were negotiated on MSA vendor contracts?

A: This worksheet is for 2009-10 only. If the 15% MSA contract reductions were IT in nature, then they should be included.